

283 - JOHN WAYNE AIRPORT DEBT SERVICE

Operational Summary

Description:

This fund provides appropriations for debt service and related trustee activity associated with Airport Revenue Bonds, Series 1993 and 1997. The bonds were issued to refinance debt associated with the construction of the JWA Master Plan, including the Thomas F. Riley Terminal, which opened to the traveling public in September 1990. Funding was subsequently added for all facets of the Santa Ana Heights Acoustical Insulation Program.

At a Glance:

Total FY 2002-2003 Actual Expenditure + Encumbrance:	35,141,234
Total Final FY 2003-2004 Budget:	48,838,686
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- Continue to comply with debt defeasance requirements in accordance with the Bond Indenture.
- Maintain Moody's Aa3 rating, Standard and Poor's A+ rating and Fitch's A+ rating on JWA revenue bonds.
- Continue the Santa Ana Heights Acoustical Insulation Program.

Fiscal Year FY 2002-2003 Key Project Accomplishments:

- Met or exceeded all financial and reporting requirements under the JWA Bond Indenture.
- JWA Bonds were upgraded from an A rating to an A+ rating by Standard & Poor's.
- Met with and provided various rating agencies and bondholders with updated reports on JWA's financial position. Provided regular specifically on large or long term security projects that may have a financial impact.
- JWA successfully sold \$48,680,000 in Series 2003 Revenue Refunding Bonds. Proceeds from the bonds, which sold at a premium of \$4,205,712, together with approximately \$10.2 million in Airport reserves will be used to refund the \$65,250,000 principal amount outstanding on the Airport's Series 1993 Bonds on July 1, 2003. This transaction will provide for a reduction in the Airport's annual debt service payment of approximately \$1.5 million per year for the period of July 1, 2003 through June 30, 2018, resulting in a net present value economic gain of \$6,187,000. The transaction further provides for a reduction in the Airport's outstanding bond debt from \$165,535,000 to \$148,965,000.

JWA DEBT SERVICE - Provides appropriations to account for all debt service and related trustee activity as required under the JWA Bond Indenture.

SA HEIGHTS ACOUSTICAL PROGRAM - Provides appropriations to account for all aspects of the Santa Ana Heights Acoustical Insulation Program.

Budget Summary

Plan for Support of the County's Strategic Priorities:

As an enterprise fund, John Wayne Airport is self-supporting through revenues it generates and receives no money from the County General Fund. Net revenues from JWA operations are utilized to provide for repayment of Airport Revenue Bonds.

Insure that FAA grants and OCDA funding are available to support the Santa Ana Heights Acoustical Insulation Program.

Final Budget and History:

Sources and Uses	FY 2001-2002 Actual Exp/Rev	FY 2002-2003 Budget As of 6/30/03	FY 2002-2003 Actual Exp/Rev ⁽¹⁾ At 6/30/03	FY 2003-2004 Final Budget	Change from FY 2002-2003 Actual	
					Amount	Percent
Total Revenues	102,453,656	116,486,385	101,132,757	48,838,686	(52,294,071)	-51.71
Total Requirements	24,122,490	81,874,335	100,855,392	48,838,686	(52,016,706)	-51.58
Net County Cost	78,331,166	34,612,050	277,364	0	(277,364)	-100.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2002-03 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: John Wayne Airport Debt Service in the Appendix on page 607.

Highlights of Key Trends:

■ Since the issuance of the 1987 Airport Revenue Bonds, JWA has consistently exceeded the 125 percent debt service covenant imposed by Bond Indenture.

■ JWA has successfully completed Acoustical Insulation on an increasing number of homes and apartments each year since inception of the Santa Ana Heights Acoustical Insulation Program.